

AGF Master Limited Partnership

SEMI-ANNUAL REPORT
FOR THE SIX MONTHS
ENDED JUNE 30, 2011



What are you doing after work?

AGF Master Limited Partnership

Market Value of Distributed Securities

(Unaudited)

As at June 30, 2011

	Market Value (in thousands)		Market Value (in thousands)
CANADIAN EQUITY FUNDS		SPECIALTY EQUITY FUNDS	
AGF Canadian Large Cap Dividend Fund Class	\$ 50,241	AGF Canadian Resources Fund Limited	9,704
AGF Canadian Stock Fund	37,274	AGF Precious Metals Fund	2,573
AGF Canadian Growth Equity Fund Limited	15,799	AGF Global Resources Class	394
AGF Canadian Small Cap Fund	11,159	AGF Global Real Estate Equity Class	53
AGF Monthly High Income Fund	1,963		12,724
AGF Dividend Income Fund	1,014		
AGF Canadian Value Fund	499	CANADIAN FIXED INCOME FUNDS	
AGF Canadian Large Cap Dividend Fund	386	AGF Canadian Bond Fund	\$ 5,478
AGF Canada Class	342	AGF Inflation Plus Bond Fund	2,445
AGF Canadian Large Cap Dividend Class	66	AGF Canadian Money Market Fund	2039
AGF Canadian All Cap Equity Fund	35	AGF Canadian High Yield Bond Fund	708
AGF Canadian Stock Class	10	AGF Dollar Cost Averaging Fund	3
	118,788		10,674
CANADIAN BALANCED AND ASSET ALLOCATION FUNDS		INTERNATIONAL BALANCED AND ASSET ALLOCATION FUND	
AGF Canadian Asset Allocation Fund	16,019	AGF World Balanced Fund	5,737
AGF Traditional Balanced Fund	12,433	AGF Emerging Market Balanced Fund	14
AGF Traditional Income Fund	63		5,751
AGF Pure Canadian Balanced Fund	9	U.S. EQUITY FUNDS	
	28,524	AGF American Growth Class	2,814
INTERNATIONAL EQUITY FUNDS		AGF Aggressive U.S. Growth Fund	2,306
AGF Global Value Fund	11,374	AGF U.S. Risk Managed Class	12
AGF European Equity Class	4,114		5,132
AGF Emerging Markets Fund	3,661	ELEMENTS PORTFOLIOS	
AGF International Stock Class	2,016	AGF Elements Balanced Portfolio	1,941
AGF Global Equity Fund	1,603	AGF Elements Growth Portfolio	905
AGF Asian Growth Class	1,149	AGF Elements Global Portfolio	629
AGF China Focus Class	846	AGF Elements Conservative Portfolio	415
AGF Aggressive Global Stock Fund	795	AGF Elements Yield Portfolio	158
AGF Global Equity Class	715		4,048
AGF Global Value Class	633	INTERNATIONAL FIXED INCOME FUNDS	
AGF Japan Class	341	AGF Global Government Bond Fund	682
AGF Global Dividend Fund	59	AGF Short-Term Income Class	447
	27,307	AGF Global High Yield Bond Fund	423
		AGF Emerging Markets Bond Fund	7
			1,559
		TOTAL DISTRIBUTED SECURITIES	\$ 214,507

AGF Master Limited Partnership

Management's Discussion and Analysis of Financial Condition and Results of Operations

For the six months ended June 30, 2011

This Management's Discussion and Analysis (MD&A) presents an analysis of the financial condition of AGF Master Limited Partnership (Master LP) as at June 30, 2011 compared with December 31, 2010, and the results of operations for the six months ended June 30, 2011 compared with the corresponding period of 2010. This discussion should be read in conjunction with our 2010 annual MD&A and 2010 annual audited Financial Statements and Notes.

On January 1, 2011, Master LP adopted International Financial Reporting Standards ("IFRS") for financial reporting purposes, using a transition date of January 1, 2010. The financial statements for the six months ended June 30, 2011, including required comparative information, have been prepared in accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards, and with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Previously, Master LP prepared its Interim and Annual Consolidated Financial Statements in accordance with Canadian generally accepted accounting principles ("GAAP"). Unless otherwise noted, 2010 comparative information has been prepared in accordance with IFRS. The adoption of IFRS has not had an impact on Master LP's operations, strategic decisions and cash flow. Certain amounts or percentage changes are calculated using numbers rounded to the decimals that appear in this MD&A. All dollar amounts are in Canadian dollars.

The MD&A includes forward-looking statements about Master LP. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', or negative versions thereof and similar expressions, or future or conditional verbs such as 'may', 'will', 'should', 'would' and 'could'. The MD&A contains forward-looking statements that are based on current expectations and projections about future events and are inherently subject to, among other things, risks and uncertainties beyond Master LP's control. These risks and uncertainties include economic conditions, market fluctuations, interest rate and foreign exchange movements, political events, regulatory change and competitive developments. The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements. Other than specifically required by applicable laws, we are under no obligation (and expressly disclaim any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise. Actual results could differ materially from those contemplated by the forward-looking statements.

FORMATION AND BUSINESS OF AGF MASTER LIMITED PARTNERSHIP

Master LP was formed through the mergers of eleven AGF and 20/20 limited partnerships (the "Merging Partnerships").

The Merging Partnerships were formed for the purpose of arranging for the distribution of securities of certain of the AGF and 20/20 mutual funds, which were sold on a contingent deferred sales charge basis ("Distributed Securities"). The Merging Partnerships paid selling commissions to registered dealers ranging from 4% to 6% of the purchase price of such securities.

As at June 30, 2011, Master LP has total issued and outstanding units of 8,568,159. These units of Master LP are listed for trading on the Toronto Stock Exchange (the Exchange) under the symbol AFP.UN. The units also qualify for investments by registered tax plans such as RSP and RIF.

AGF Master Limited Partnership

Market Value of Distributed Securities

(Unaudited)

REVENUE

Master LP's primary source of revenue is distribution fees earned from the Distributed Securities to which it has distribution rights. The future stream of revenues is a function of the market value of these assets and the rate and timing of the redemptions of the underlying assets.

The redemption fee schedule applicable to the Distributed Securities has expired and Master LP no longer receives any redemption fee revenue.

DISTRIBUTION FEES

Master LP receives a monthly distribution fee calculated at annual rates ranging from 0.50% to 0.90% of the net asset value of the Distributed Securities which remain outstanding. The net asset value of Distributed Securities is primarily affected by the decline in market performance and the redemptions of Distributed Securities. Distribution fees accounted for 99.5% and 99.9% of Master LP's total revenue in the six months ended June 30, 2011 and 2010, respectively.

Distribution fees amounted to \$0.6 million for the six months ended June 30, 2011 as compared to \$0.8 million for the comparable period in 2010. The 19.1% decrease was primarily attributable to the lower net asset value of Distributed Securities from \$263.5 million as at June 30, 2010 to \$214.5 million as at June 30, 2011.

The following is a summary of the changes in Distributed Securities during the six months ended June 30, 2011 and 2010:

(Unaudited)	(in thousands)	
Six months ended June 30	2011	2010
Market Value of Distributed Securities, beginning of period	274,181	386,438
Decrease in Market Value of Distributed Securities, including reinvested distributions	(34,255)	(91,673)
Redemption of Distributed Securities	(25,419)	(31,277)
Market Value of Distributed Securities, end of period	214,507	263,488

The annualized redemption rate during the six months ended June 30, 2011 based on the market value of Distributed Securities at the beginning of the year was 18.5% compared to 16.2% in 2010. Redemptions of \$25.4 million and market decline of \$34.3 million accounted for the decrease in the value of Distributed Securities as at June 30, 2011.

DISTRIBUTED SECURITIES COMPOSITION

The composition of Distributed Securities as at June 30, 2011 and 2010 are shown in the following table. The relative weighting of each asset class will change over time, based on performance, redemptions and unitholder switches between funds.

AGF Master Limited Partnership

Market Value of Distributed Securities

(Unaudited)

Composition of Distributed Securities based on market value as at June 30:

(Unaudited)	2011	2010
	%	%
Canadian Equity Funds	55	52
Canadian Balanced and Asset Allocation Funds	13	15
International Equity Funds	13	14
International Fixed income Funds and others	11	11
Canadian Fixed Income Funds	6	6
U.S. Equity Funds	2	2
Total	100	100

REVENUE TERMINATION DATES

Master LP is entitled to the same revenue streams, with the same termination dates, as the Merging Partnerships. The following table illustrates the expiry date applicable to the various pools of Distributed Securities in respect of which Master LP has the right to receive distribution fees:

(unaudited)	Distributed Securities (Market Value as at June 30, 2011) (in thousands)	Annual Distribution Fee Rate	Distribution Fee Expiry Date (December 31)
Partnership			
Sunset America	\$ 3,103	0.85%	2017
20/20 1989 LP	1,142	0.90%	2017
20/20 1991 LP	11,818	0.65%	2017
AGF LP No. 8	9,744	0.56%	2011
AGF LP 1996	72,960	0.55%	2011
AGF LP 1997	115,740	0.53%	2012
	\$ 214,507		

Master LP will continue until March 31, 2018 unless procedures as specified in the Master LP partnership agreement for the dissolution of Master LP are commenced earlier upon the occurrence of certain events stated in the Master LP partnership agreement.

OPERATING EXPENSES

Total operating expenses for the six months ended June 30, 2011 were \$0.1 million, the same amount as for the comparable period in 2010.

FINANCIAL CONDITION AND LIQUIDITY

Total assets were \$1.0 million as at June 30, 2011 as compared to \$1.7 million as at December 31, 2010. Assets as at June 30, 2011 primarily consisted of cash totaling \$0.9 million.

As at June 30, 2011, the total amount of uncashed distribution cheques included in cash and distributions payable was \$0.3 million.

AGF Master Limited Partnership

Market Value of Distributed Securities

(Unaudited)

The Merging Partnerships were formed to finance selling commissions during a fixed period of time, after which the Merging Partnerships collect the fees to which they are entitled with no significant ongoing financial obligation other than the ordinary operating expenses. Master LP distributes its income to limited partners on an annual basis and does not retain permanent investment assets.

FINANCIAL INSTRUMENTS

Master LP's financial instruments consist of cash, distribution fees and interest receivable, accounts payable and accrued liabilities, and distributions payable.

CASH DISTRIBUTION AND TAXABLE INCOME

Master LP has adopted an annual distribution policy as a result of the adverse tax consequences which would have arisen for at least a significant majority of the limited partners who participated in the merger if distributions were made more frequently than annually. Master LP may reconsider the distribution frequency if changes in tax laws have the effect of eliminating such adverse tax consequences.

Master LP itself is not directly subject to income tax. Instead, Master LP's income or loss for tax purposes is calculated and flowed through to limited partners.

Distributable income earned during the six months ended June 30, 2011 was approximately \$0.06 per limited partnership unit and \$0.08 per limited partnership unit for the same period in 2010. The distributable income will be paid annually to limited partners of record on December 31, 2011 in January 2012. Selected quarterly information for the eight most recent quarters are shown below.

Estimated taxable income for the six months ended June 30, 2011 was \$0.06 per limited partnership unit as compared to \$0.08 per limited partnership unit in the comparable period in 2010. Taxable income is allocated on an annual basis to limited partners of record on December 31 of a fiscal year.

RELATED PARTY TRANSACTIONS

AGF Partners No. Five Limited is the general partner and is responsible for the management of Master LP on a day-to-day basis. In consideration for its services, the general partner is entitled to 0.01% of the net distributable income of Master LP and will be reimbursed by Master LP for expenses incurred on behalf of Master LP. It also receives an administration fee as consideration for its management of the business and affairs of Master LP and has engaged AGF Management Limited ("AGF"), its parent company, to assist it in carrying out its management obligations to Master LP. These services are in the normal course of operations and are recorded at the amount of consideration agreed to by the parties. The administration fees for the six months ended June 30, 2011 amounted to \$0.1 million.

AGF Master Limited Partnership

Market Value of Distributed Securities

(Unaudited)

SELECTED QUARTERLY INFORMATION

(in thousands, except per unit amounts)				
Three months ended (Unaudited)	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sep. 30, 2010
Revenue	\$ 306.3	\$ 330.2	\$ 377.3	\$ 368.7
Net income for the period	247.3	259.4	302.0	296.5
Net distributable income per limited partnership unit	0.03	0.03	0.04	0.03

(in thousands, except per unit amounts)				
Three months ended	Jun. 30, 2010	Mar. 31, 2010	Dec. 31, 2009	Sep. 30, 2009
Revenue	\$ 379.4	\$ 404.2	\$ 528.9	\$ 525.8
Net income for the period	307.1	344.6	469.3	457.1
Net distributable income per limited partnership unit	0.04	0.04	0.05	0.05

ADDITIONAL INFORMATION

Additional information relating to Master LP can be found in the Financial Statements and accompanying notes for the six months ended June 30, 2011, 2010 annual MD&A and Financial Statements, 2010 Annual Information Form (AIF) and other documents are available at the AGF website, www.agf.com and at the Canadian Securities Administrators' website, www.sedar.com.

AGF Master Limited Partnership

The following interim financial statements of AGF Master Limited Partnership for the six months ended June 30, 2011 are unaudited and have not been reviewed by our auditors.

AGF Master Limited Partnership

Statements of Financial Position

	As at June 30, 2011 (Unaudited)	As at December 31, 2010	As at January 1, 2010 (Unaudited)
Assets			
Current Assets:			
Cash	\$ 855,374	\$ 1,546,485	\$ 1,969,840
Distribution fees and interest receivable	102,145	124,780	173,403
Total Assets	\$ 957,519	\$ 1,671,265	\$ 2,143,243
Liabilities and Partners' Equity			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 114,893	\$ 85,142	\$ 95,640
Distributions payable	335,904	1,586,123	2,047,603
	450,797	1,671,265	2,143,243
Partners' Equity:			
General Partner	2,510	2,510	2,510
Limited partners – 8,568,159 units	209,793,390	209,793,390	209,793,390
Issue and merger expenses	(18,069,356)	(18,069,356)	(18,069,356)
	191,726,544	191,726,544	191,726,544
Deficit	(191,219,822)	(191,726,544)	(191,726,544)
	506,722	-	-
Total Liabilities and Partners' Equity	\$ 957,519	\$ 1,671,265	\$ 2,143,243

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors of
AGF Partners No. Five Limited, as General Partner



Blake C. Goldring, Director



Robert J. Bogart, Director & Chief Financial Officer

AGF Master Limited Partnership
 Statements of Operations and Deficit
 (Unaudited)

Six months ended June 30	2011		2010	
Operations				
Revenue:				
Distribution fees	\$	633,188	\$	782,412
Interest		3,328		1,138
		636,516		783,550
Expenses:				
Administration fees		44,949		51,793
Audit, legal and filing fees		28,464		30,585
Transfer agent fees		48,138		41,289
Other costs		8,243		8,200
		129,794		131,867
Net income for the period	\$	506,722	\$	651,683
Net income per limited partnership unit	\$	0.06	\$	0.08
Deficit				
Balance beginning of period		(191,726,544)		(191,726,544)
Net income for the period		506,722		651,683
Balance end of period	\$	(191,219,822)	\$	(191,074,861)

AGF Master Limited Partnership

Statements of Financial Position

	General Partner \$	Limited Partners \$	Issue and Merger Expenses \$	Deficit \$	Total \$
Balance January 1, 2011	2,510	209,793,390	(18,069,356)	(191,726,544)	-
Net income for the period	-	-	-	506,722	506,722
Distributions to partners	-	-	-	-	-
Balance June 30, 2011	2,510	209,793,390	(18,069,356)	(191,219,822)	506,722

	General Partner \$	Limited Partners \$	Issue and Merger Expenses \$	Deficit \$	Total \$
Balance January 1, 2010	2,510	209,793,390	(18,069,356)	(191,726,544)	-
Net income for the period	-	-	-	651,683	651,683
Distributions to partners	-	-	-	-	-
Balance June 30, 2010	2,510	209,793,390	(18,069,356)	(191,219,822)	651,683

AGF Master Limited Partnership
 Statements of Cash Flow
 (Unaudited)

Six months ended June 30	2011	2010
OPERATING ACTIVITIES:		
Net income for the period	\$ 506,722	\$ 651,683
Net increase in non-cash balances related to operations	52,386	7,270
	559,108	658,953
FINANCING ACTIVITIES:		
Distributions paid to partners	(1,250,219)	(1,711,699)
	(1,250,219)	(1,711,699)
Decrease in cash during the period	(691,111)	(1,052,746)
Cash – beginning of period	1,546,485	1,969,840
Cash – end of period	\$ 855,374	\$ 917,094

AGF Master Limited Partnership

Notes to Financial Statements

(Unaudited)

For the six months ended June 30, 2011 and 2010

1. Significant Accounting Policies

These interim consolidated financial statements of Master LP have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies Master LP expects to adopt in its financial statements as at and for the year ending December 31, 2011. Master LP will ultimately prepare its opening balance sheet and financial statements for 2010 and 2011 by applying existing IFRS with an effective date of December 31, 2011 or prior. Accordingly, the opening balance sheet and financial statements for 2010 and 2011 may differ from these financial statements. As these interim financial statements are Master LP's first financial statements prepared using International Financial Reporting Standards ("IFRS"), certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS that were not included in Master LP's most recent annual financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP") have been included in these financial statements for the comparative annual period.

These interim financial statements should be read in conjunction with Master LP's 2010 annual financial statements and in consideration of the IFRS transition disclosures included in Note 2 to these financial statements and the additional annual disclosures included herein.

2. Transition to IFRS

Master LP adopted IFRS effective January 1, 2011 with a transition date of January 1, 2010. Prior to the adoption of IFRS Master LP prepared its financial statements in accordance with Canadian GAAP. Master LP's financial statements for the year ending December 31, 2011 will be the first annual financial statements that comply with IFRS.

Reconciliation of equity as reported under Canadian GAAP to IFRS:

	As at December 31, 2010 \$	As at June 30, 2010 \$	As at January 1, 2010 \$
Partner's equity under Canadian GAAP	191,726,544	191,726,544	191,726,544
Differences increasing (decreasing) partner's equity	-	-	-
Partner's equity under IFRS	191,726,544	191,726,544	191,726,544

Reconciliation of net income as reported under Canadian GAAP to IFRS:

	Year ended December 31, 2010 \$	Six months ended June 30, 2010 \$
Net income under Canadian GAAP	1,250,219	651,683
Differences increasing (decreasing) net income	-	-
Net income under IFRS	1,250,219	651,683

AGF Master Limited Partnership

Notes to Financial Statements

(Unaudited)

Reconciliation of cash flow as reported under Canadian GAAP to IFRS:

	As reported under Canadian GAAP	IFRS adjustments	As reported under IFRS
	\$	\$	\$
For the year ended December 31, 2010			
Cash flow from operating activities	1,288,344	-	1,288,344
Cash flow from financing activities	(1,711,699)	-	(1,711,699)
	As reported under Canadian GAAP	IFRS adjustments	As reported under IFRS
	\$	\$	\$
For the six months ended June 30, 2010			
Cash flow from operating activities	658,953	-	658,953
Cash flow from financing activities	(1,711,699)	-	(1,711,699)

3. Uncashed Distribution Cheques

Uncashed distribution cheques as at June 30, 2011 remain unchanged at \$335,904. For accounting purposes, this amount has been classified as cash and distributions payable on the balance sheet.



What are you doing after work?

AGF Master Limited Partnership

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